

**INTERNATIONAL MARKET**

**Table 1: CME Soybean prices and weekly change (cents/bushel)**

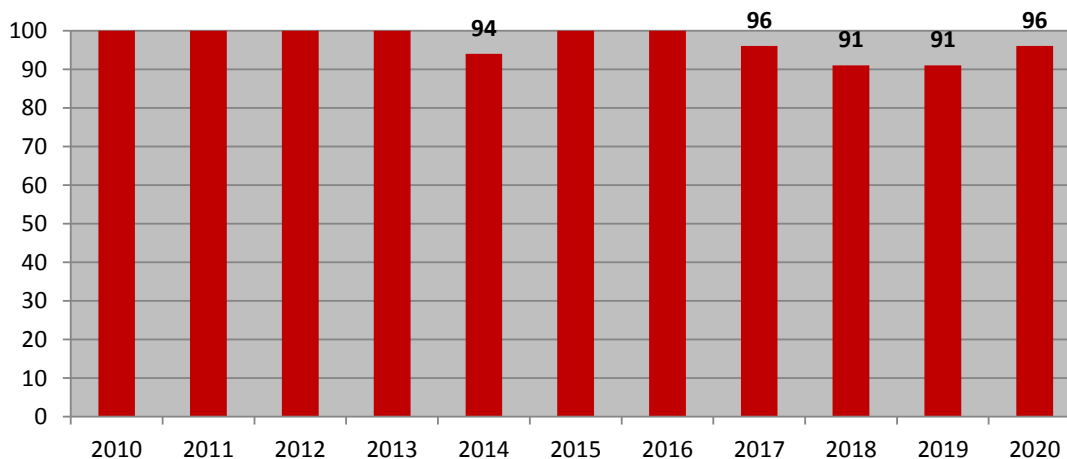
	Currently	12/11/2020	Weekly change (c/bu)	Monthly change (c/bu)
CME Jan-21	1166	1145 ½	20 ½	112
CME Mar-21	1164 ¾	1144 ¾	20	122 ½

- US soybean contracts posted some more gains in the past week with both January and March soybeans gaining some ground. On a monthly basis US soybean contracts are still trading sharply higher with January and March CME soybeans gaining 10.6% and 11.7% in the past month respectively.
- On the chart for January CME soybeans we see that the market surged higher and traded to a new 4-year high of \$11.89 ¾ in the daytime session yesterday but has pulled off that level since. The moving averages are still pulling higher but the market is overbought and there could be some divergence between the RSI and prices which could very attract some long liquidation.
- US and world soybean prices are being supported by the strong export demand out of China and the pressure on US soybean ending stocks. The USDA lowered their 2020/21 US soybean ending stocks estimate to the lowest level since the 2013/14 marketing season.
- The drier weather conditions in the key growing areas of Argentina and Brazil was another supportive factor in the past week. The adverse weather conditions could see some more demand for US soybeans.

**US soybean progress report**

- USDA in their weekly crop progress report indicated that 96% of the US soybean crop has been harvested which is up from the 92% reported last week and slightly ahead of the 5-year average seen at 93% harvested this time of the year.

**Figure 1: US soybean harvesting progress (% complete)**

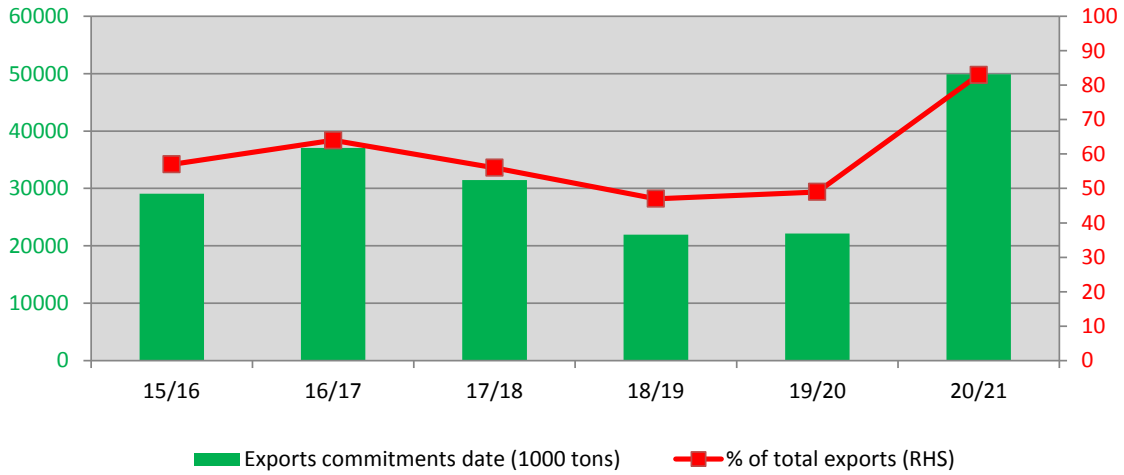


**US soybean export progress**

- The strong export demand for US soybeans has been the major driver for US soybeans pushing prices to the 4-year high.

- The graph below presents the US soybean export progress seen this time of the year in the past few seasons. The 2020/21 US soybeans committed for exports is well above the commitments seen this time of the year in the past few season.
- The 2020/21 US soybeans committed for exports represents 83% of the USDA soybean export estimate which is significantly higher than the 5-year average seen at 55% for this time of the year.

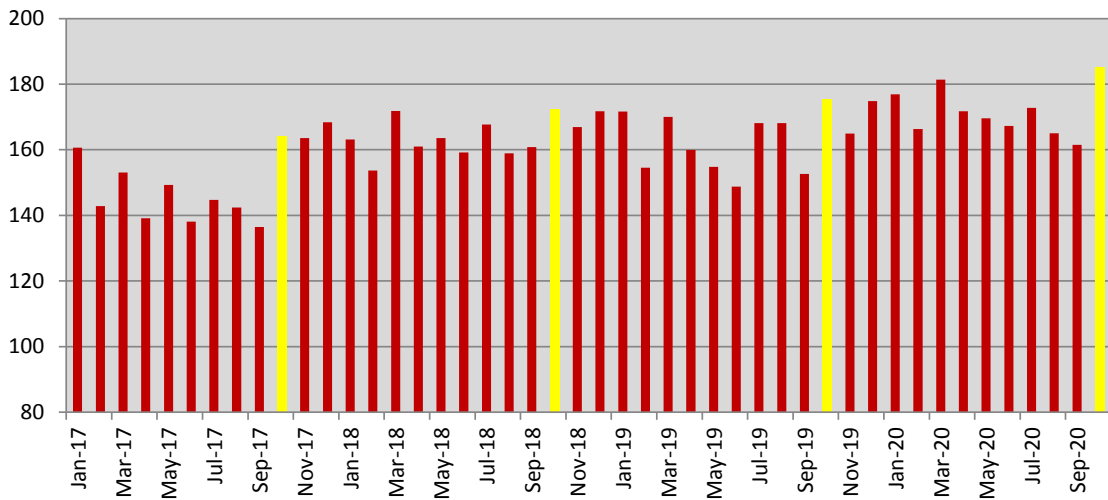
**Figure 2: US soybean export progress (1000 tons)**



**US NOPA soybean crush**

- The US NOPA soybean crush for the month of October was reported at a new record high of 185.24 million bushels which was well above the market expectation seen at 177.1 million bushels.
- From the graph below we see that there is usually an increase in the US soybean crush in the month of October with more new crop supplies available. The 2020 October NOPA soybean crush is 14.7% higher month/month.

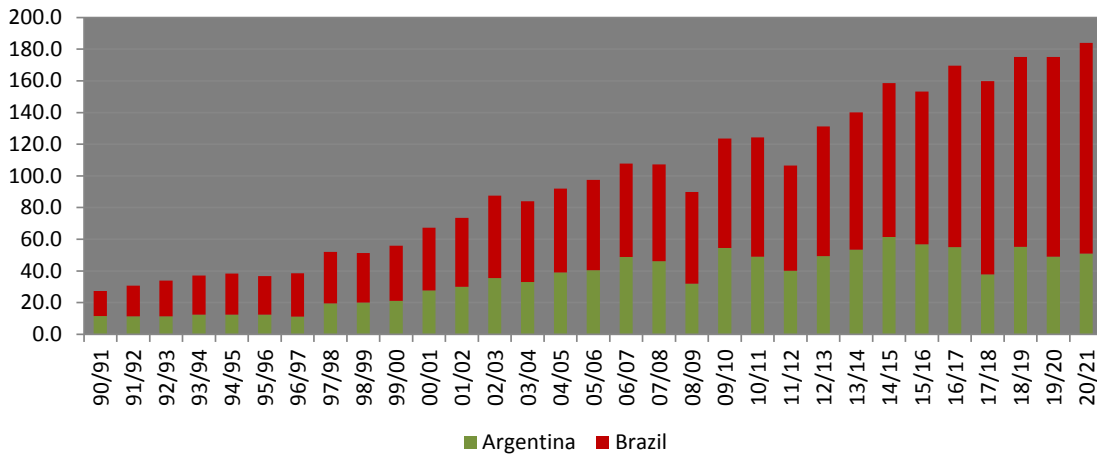
**Figure 3: NOPA US soybean crush estimates (mil bu)**



**South American soybeans**

- The USDA in their November reported estimated the Argentine soybean crop at 51 million tons (-2.5 million tons month/month) while the Brazilian soybean crop estimate was left unchanged at a new record of 133 million tons.
- Despite the slightly lower month/month soybean crop estimate for Argentina the South American soybean crop is still seen at a new record high for the 2020/21 marketing season. The South America crop (Argentina and Brazil) is estimated at 184 million tons in 2020/21.

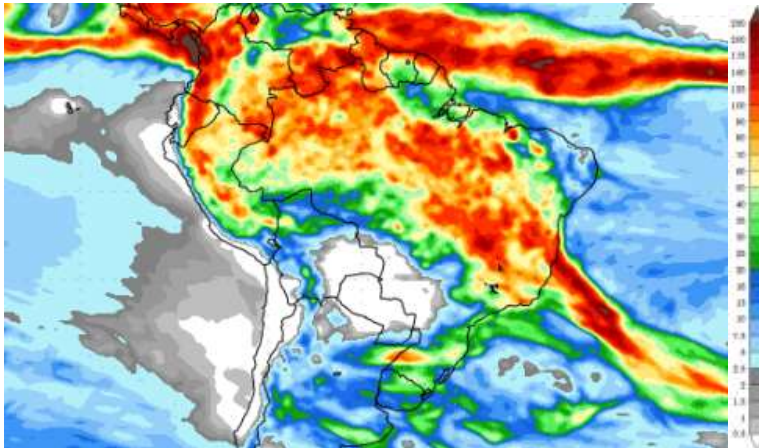
**Figure 4: Argentina and Brazil soybean production**



**South American weather forecast**

- The weather map below presents the cumulative rainfall forecast for Argentina and Brazil for the week ahead. From the weather map below we see that below normal rainfall is forecasted for the key growing areas of Argentine while areas in the southern parts of Brazil are also expected to see below normal rainfall.

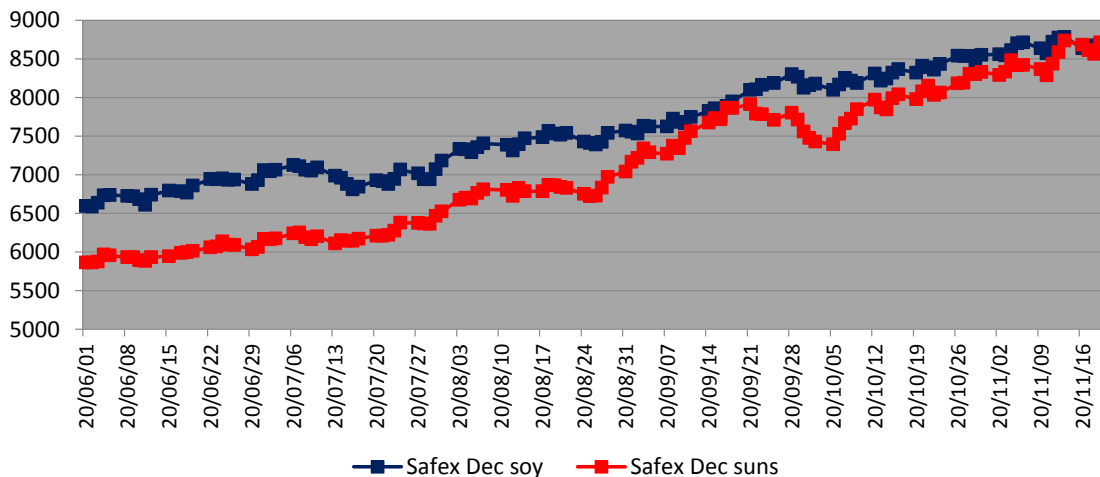
**South American cumulative rainfall forecast for the week ahead**



## LOCAL OILSEED MARKET

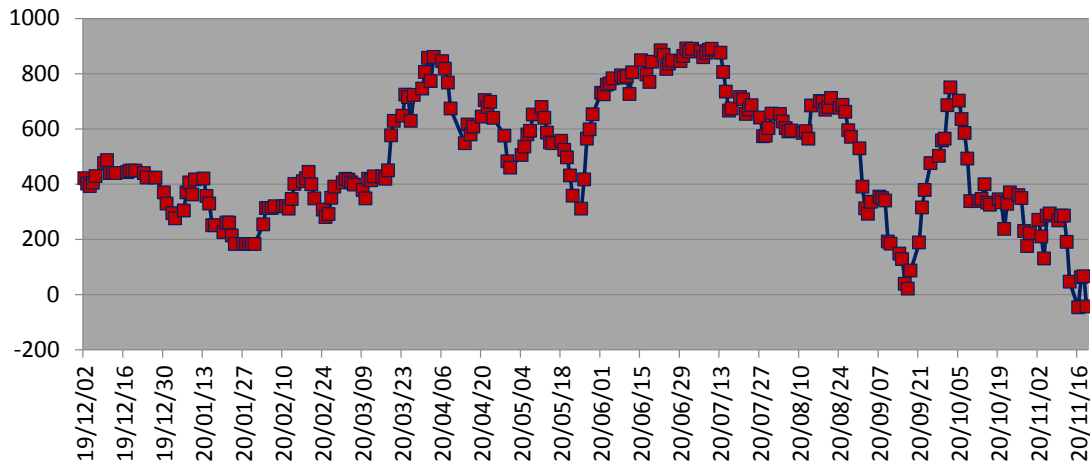
- South African oilseeds ended mixed in the past week with December soybean contracts giving up 1.18% in the past week while December sunflower seed contracts gained 1.51%. Local soybeans failed to keep up with the gains that were seen in US soybeans. South African sunflower seed contracts were supported by the higher European sunflower oil prices.
- The rand was stronger for most of the past week and the local currency once again did get some support around R15.30/\$ and weakened after that with some gains in the dollar also putting pressure on the rand. The rand is currently trading around R15.50/\$.
- On the chart for December soybeans we see that the market initially posted some gains but did get some resistance around R8785-R8800 and the failure to break above that level attracted some selling/long liquidation. There some also some divergence between the RSI and prices.

**Figure 6: Safex Dec-20 soybean and sunflower seed prices**



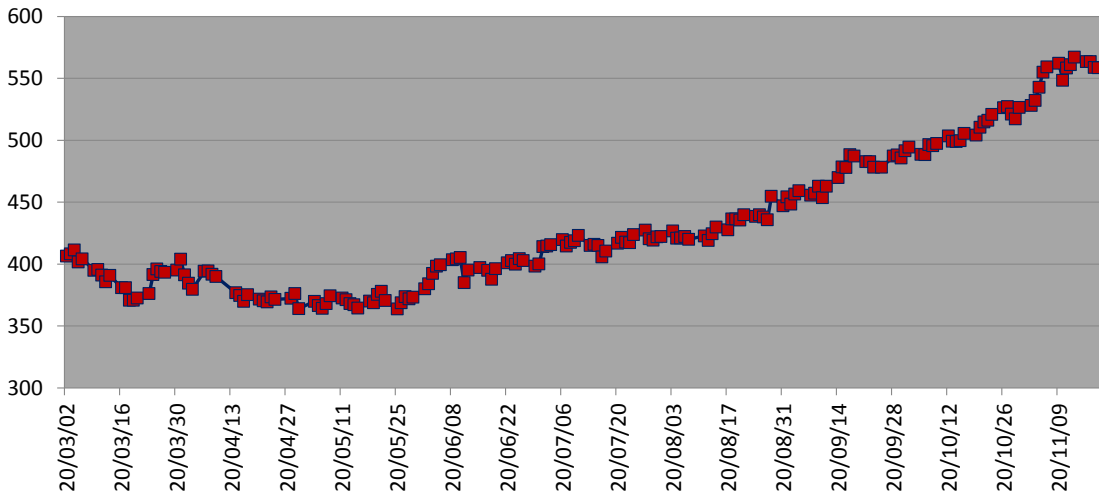
- The graph below presents the December Safex sunflower seed/soybean split seen in the past few months. From the graph below we see that the split has been under massive pressure recently as the local sunflower seed/contracts outperformed the local soybean market.
- In the session today the December sunflower/soybean split has moved in negative territory (sunflower seed prices above soybeans).

**Figure 7: Safex Dec sunflower seed/soybean split (R/t)**



- The graph below presents the December Safex soybean prices in dollar/ton. From the graph below we see that South Africa December soybeans in dollar terms has surged higher in the past few months and is currently trading at \$558/tons which is 0.44% lower week/week but still 10.8% higher on a monthly basis.

**Figure 8: Safex December soybean prices \$/ton**



**Technical graphs**

- Safex Dec-20 soybean prices
- CME Jan-21 soybean prices



